

December 21, 2006

TO THE PRODUCER ADDRESSED:

Annually, the Department must determine if there has been an increase in the Class 1 and 2 solids-not-fat usage during the most recent September through August time period. In making this determination, the current time period is compared to the previous highest year since 1988-1989. Any increase in such usage is allocated to producers as pool quota. New quota allocations are issued in January of the following year.

A comparison of Class 1 and 2 sales for the period of September 2005 through August 2006, with comparable sales for September 1990 through August 1991 (the highest previous year) reveals that there was a decrease in Class 1 and 2 usage.

The Department, therefore, is announcing there will be no new quota allocated on January 1, 2007.

Sincerely,

Original signed by

John Lee, Branch Chief Milk Pooling Branch

